

Builder's Club enjoys long history of rewarding contractors

MINNEAPOLIS, Minn. — Whether it's dancing in Barbados, sport fishing in Los Cabos, or cruising Alaska, the Builders Club loyalty-marketing program can make all these dreams and more come true for builders and remodelers — while also improving suppliers' bottom lines.

Minneapolis-based Builders Club, Inc. has created a highly successful loyalty-marketing program built primarily on travel incentives.

Ricci Lumber is the Club's newest member.

"We've spent 13 years in the business, and have learned that home building suppliers can win and keep customers through a strong travel incentive program," said Builders Club President John Esmay. "However, suppliers in the Builders Club system offer travel incentives to give builders a reason to stay with them and pay their bills on time."

Builder's Club was formed in 1989 by Gordon and Bob Cremers. The Cremers wanted to offer a travel incentive program to Minneapolis home builders and a relationship market program to their suppliers, said Esmay.

Today, the club continues the Cremers' commitment by keeping in mind their mission statement, "Builder's Club provides systems and resources to improve customer loyalty, sales, receivables and the profitability of our Sponsors."

Builder's Club helps fill a niche that many suppliers likely could not afford by themselves. Most companies could not use exotic incentive travel to build customer loyalty and new business on their own, yet by partnering together through Builders Club, participants are able to "cost effectively offer a travel incentive that adds profit to their bottom line," Esmay said.

Builders Club works like a frequent flier



During Grand Destinations, Club Members enjoy many activities. Here, builders race donkeys during a beach olympics.

program for suppliers in the home building industry, company officials said. Any builder or remodeler who shops with a sponsor of Builders Club, and pays on time, is awarded "Club Points." These points can be used toward merchandise, local events or the annual "Grand Destination" vacation.

Builders Club sponsors use a portion of their advertising and promotional budget to award these "Club Points" to their customers, choosing to participate because a satisfied customer is the best form of advertising, Esmay said. The club is a valuable way for suppliers to say "thank you" to builders and remodelers for their business and prompt payment, he said.

On the supplier's part, there are no administrative fees and no cumbersome management problems. Builders Club handles all the organizational issues including monthly statements and event planning, promotion and execution.

amount of points clearly indicated, so contractors will be able to easily keep track of their progress toward the trips or merchandise they have their eyes on.

Hayes said the program is supported through the company's advertising budget so customers will not see an increase in the store's prices. He said that rather than putting that money into indirect advertisements in places like the Yellow Pages and newspapers, they are choosing to reinvest the money into their customers.

While the program is a great way to reward loyal customers, Ricci Lumber does benefit from the program, too, said Hayes. For one thing, contractors have to have a current account in order to receive points.

"It is designed to reward good customers," the president said.

Also, the program should encourage contractors to continue to work with Ricci Lumber for all their building needs, he added, making it a win-win situation for both the company and its customers.

Hayes said he also sees the program as playing an integral part in strengthening

n Expanding nationally

Theirs is an approach that is working well. Builders Club is now in 17 markets. The club most recently kicked off its newest chapter in Pittsburgh, Pa., with five lumberyards joining the program along with suppliers who sell floorcovering, lighting, fireplaces, waterproofing, cabinets and more, said Esmay.

With the addition of Pittsburgh this summer, Builders Club now has more than 36,000 members, with other chapters in Indiana, Massachusetts, Maryland, Missouri, Michigan, Minnesota, Ohio and Virginia. Two years ago, they came to New Hampshire. With the help of national manufacturing partners, Builders Club is also expanding into St. Louis.

"Pittsburgh's success has shown us the value of partnering with manufacturers and we will continue to expand those relationships," said Esmay.

Ricci's relationships with some of their most valuable customers.

"Our business is based on building and maintaining relationships. The Builder's Club program certainly helps do that well," Hayes said.

"The other thing is, Pat Moretti and I will go on these trips with our customers," he added. "We plan on going on these trips as a way to interact with our customers in a non-business setting."

The Building Club has been around for approximately 20 years, said Hayes, and is a great success in the Midwest where it originated. He said it is now extending into the New England area, and Ricci is one of the few lumber yards in New Hampshire, and the only one in its region, to get involved with the program.

Hayes was drawn to the Builder's Club when he read about it in a trade magazine, he said. He liked how the club offered both trips and merchandise; other programs of its like usually offer one or the other.

Ricci's president also liked how the program benefits companies of all sizes.

"The other thing I like about the Builder's

This past January, 128 builders, remodelers and suppliers from the Maryland and Virginia chapters enjoyed time together in sunny Puerto Vallarta. Next, Builders Club plans to host more than 1,000 builders and remodelers on a pre-NAHB show trip to Las Vegas this January. Trips to Spain and an Alaskan Cruise are also in the works. Those who participate in the New Hampshire Builder's Club, including Ricci Lumber, can look forward to a trip to Xcaret Mexico in the winter of 2004.

Planning is also underway for Builders Club's next Grand Destination, which will be announced later this year.

n Networking is key

While the trips through Builders Club are fun, they also help suppliers win new customers through networking.

"It's a great networking opportunity for suppliers and builders," Esmay said. "In everyday business situations, the two don't have many opportunities to network in a relaxed, social atmosphere. But our trips are the ideal way to build relationships and gain new customers."

Builders Club Sponsor Mark Scherer of Scherer Bros. Lumber Co. in Minneapolis said, "The Builders Club has really helped us establish greater relationships (with our customers)."

Larry Anderson of Anderson Master Builders adds, "The Builders Club has provided me with an opportunity to be introduced to many quality subs, to get to know my suppliers better, and to socialize with great people in the building industry. As often as I can, I am purchasing from Builders Club Sponsors. They're not just giving points, they provide me with the quality and service that I need."

To find out more about the Builders Club, visit them online at www.buildersclub.com.

Club over other types of loyalty programs is it benefits the smaller contractor as well as the bigger contractors," he said. "And the points don't expire. I thought this is great, this is going to benefit the smaller contractors as well."

Sign-up for the program begins in early January, and contractors will receive information in the mail. Hayes said Ricci will also offer ongoing enrollment in the store.

Hayes encouraged every contractor who does business with Ricci to sign up for this amazing program, as it rewards them for buying the materials and services they need for their projects anyway.

"[You're] going to get an opportunity to get luxurious trips that are once in a lifetime that you can share with your wife, or husband," he said. "For doing what you are doing anyway, you're going to get the chance to get merchandise."

"Hopefully our customers will think as highly of the program as we do, so it will be a success for many years to come," he added.

Club

From Front Page

can turn to a well driller who is a member of the Builder's Club. That contractor could then earn points just by doing business with that particular company. Hayes said a host of companies, from flooring specialists to appliance sales to insulation installers are included on the list.

Points can add up fast, putting contractors in line for some great day trips, or longer excursions to tropical locales, hot spots like Las Vegas, and even Europe, Hayes said. He said the trips offered are often "ultra-luxurious."

"They're so well done, that you'll just want to go on the next one," he said.

For those who do not like to travel, the program still offers some great incentives. Contractors can apply their points to a veritable catalog of merchandise, everything from golf clubs to Ray Ban sunglasses.

Those who participate in the program will receive monthly statements with their



Season's Greetings

Ricci Lumber Gazette

NEWS FROM THE RICCI LUMBER COMPANIES

Rewarding customer loyalty

Ricci Lumber joins up with Builder's Club to give customers incentives

PORTSMOUTH -- Just in time for the new year, Ricci Lumber will launch their partnership with the Builder's Club, a program that grants contractors who shop at the lumber yard and home building store with an assortment of premiums and merchandise.

Ed Hayes, president and C.E.O. of Ricci Lumber, is excited about the new Builder's Club program, coming to the business in January.

"We just signed up about a month ago. We're going to kick off the whole thing on Jan. 1," the president said.



And that means big things for the professional contractors who make Ricci Lumber their source for project materials.

Each purchase a contractor makes will earn that customer points which are redeemable for merchandise or even luxury trips.

In effect, said Hayes, the program

rewards contractors for their loyalty to Ricci Lumber.

The number of points a contractor receives on his or her purchase depends on the amount they spend. For every \$10 spent on lumber, the contractor will receive one point. For every \$10 spent on kitchens or doors and windows, the contractor will receive two points.

"Since we sell basically everything you need to build a house, they can get a lot of points here," he said.

Additionally, customers can earn more points when they turn to other businesses enrolled in the program. Hayes said that if a contractor needs a well drilled, they



Builders and remodelers enjoy the Pacific surf in sea kayaks during Builders Club's 2002 Grand Destination trip to sunny Puerto Vallarta.

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Bud Ricci and Butch Ricci of Ricci Construction Co., Inc., in Portsmouth, N.H.

Ricci Construction Co. values family connection

PORTSMOUTH, N.H. -- It's all about family for the owners of Ricci Construction Company, Inc.

The business, which is headquartered in Portsmouth, N.H., was founded in 1935 by general contractor and real estate developer Erminio A. Ricci. Ricci was born in Italy in 1903, but became enchanted with Portsmouth from stories

his railroad worker father told him during his visits to America. Erminio immigrated in 1919, and settled in Portsmouth. There, he eventually created Ricci Construction Company, Inc. to bring high quality construction to the booming area.

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Warranties: nice when needed, better when not

by Ed Hayes
President, CEO
Ricci Lumber

I just had some work done on my house in Portsmouth. My wife and I took advantage of the low interest rate climate, refinanced, and decided to put an addition on our home. The work



HAYES

was performed by longtime Ricci Lumber customer, Scott Pettis and his able crew. Pettis and Company did a great job and we thank them very much.

We got a chance to use many of the great products that I like to sell at Ricci Lumber which was really cool. We framed with Advantech T&G flooring plywood and 5/8" Advantech roof sheathing. We used IKO architectural shingles over Grace Ice & Water Shield

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Roofs are now more than mere shelter

Improved shingle technology opens a whole new world of choices for customers

by Pat Moretti
General Manager
Ricci Lumber

Once just a way of protecting the contents of one's home, roofing has evolved into a major centerpiece of a house.

Roof shingles now come in more varieties and colors than ever before, and the selections keep getting greater. Better technology and improving base products have pushed warranties up to and even beyond 50 years. Colors, shading and blending of the granules have added dimension and depth to the shingle appearance. Customers now spend as much time picking out their roof shingles as they do the color of their siding and trim. Designers and architects of newer projects now draw designs with the roof's shingle designs in mind. The common roof shingle has become as uncommon as thatch.

So what makes these newer roofing shingles so super? To discover this, we must reverse engineer the shingle. The basic composition of shingles is broken down into three basic mats; organic, fiberglass and epdm. Organic shingles have been around since shingles were mass-produced over a century ago. Made of wood pulp and rag

stock, these shingles are technically the same paper product our U.S. dollar bills are made of. Easily impregnated with asphaltum, the organic material offers a durable, long-lasting roof shingle. Improvements in production controls and selection of the raw product have all but eliminated problems found in shingles manufactured only 20 years ago. The advantages that organic shingles offer are consistent workability at all temperatures and better wind resistance. Some limitations of organic material are the weights of shingles when compared to their counterparts and the warranty of shingle, maxing out at 30 years.

Fiberglass shingles appeared in the late 1970's and have continued to progress since then. Composed of a stranded mat encapsulated in a layer of asphalt, fiberglass shingles arrived offering longer warranties and class "A" fire rating. At a time when burning wood was common,



MORETTI

this fire rating seemed so important. Lower production costs, complete control of the raw material price and the promise of less claims, many manufactures shifted full production over to this new process; discontinuing organic production.

This rush to change was not without problems. The late 1980's and early 90's were inundated with claims for failing shingles, most because manufacturers hurried into production did not understand the result. The old adage "learn from your mistakes" can definitely be applied to the roofing industry.

The next generation of fiberglass shingles that appeared on the market during the mid 1990's has gone on to exceed the original expectations. With thicker layers and more dimensions than ever, these new shingles continue to push the envelope of design and warranty, some up to 50 years. With the exception of being difficult to work with in extreme temperatures, these shingles are now the choice of installers across the country.

The newest product to arrive on the roofing market is epdm mat shingles. A flexible, durable shingle offering a lifetime warranty for the homeowner, this roofing product has been slowly gaining momentum. A combination of rubber

and asphalt are the basis of the mat to which the granules are attached. Since the product is pliable at all temperatures and is flexible enough to absorb substrate expansion and contraction, the normal cause of shingle failure has been eliminated. Besides being more expensive than its counterparts, initial product offerings have limited colors and designs. Customer acceptance and demand for a larger selection will drive improvement of this product into the next decade.

Roof shingles are still the most economical way to add value and protection to an owner's house. Recent studies suggest that a properly selected architectural roof can increase the value of the house by as much as 12 percent over standard three-tab shingles. For example, a 30 square foot roof using three-tab 25 year shingles will cost about \$960 for the shingles. The same roof using 35 year architectural shingles would cost about \$1950 or just over 50 percent more. Curb appeal of this roof would add value to the bottomline asking price of the house, more than paying for the upgrade of the roof a few times over. Add to this, the extended life of the shingles and you have a win-win situation for both you and your customer.

Leads slow? For most of you, this is a blessing in disguise

In a recent *USA Today* survey, a sampling of millionaires was asked, "How much money would you need to make you happy?" The results showed that most would be happy if they had twice as much money as they have today. That would lead one to believe that once you get to a certain point, you simply raise the bar. I've found the same to be true of salespeople when asked how many leads are enough. Regardless of how many unmanaged leads they have, they still want more. There is a time, folks, when you stop going on leads and start selling jobs.

This past January, I went on a call with a salesman. Even though the company had just come off of a good year, they were concerned about starting slow. During the appointment, the salesperson found the customer wanting a much larger job than he was prepared to estimate, or was prepared to handle without bringing in some more experienced help. He did find out the following from the prospect:

n He had considered moving versus improving and had decided to improve.

n He wanted to deal with one company.



REA

HOOKS

by *Phil Rea*

n He was ready to start the job. The salesman even gave the homeowner a survey to fill out and the last question was: If you approve of our company, design, and ideas, and the investment is affordable, would you like for our company to begin working on your project today? The prospect answered "yes".

n He had investigated the company on the Internet and talked with some folks that had used them. He told the salesperson it was all good feedback.

n The prospect said money was no object. (This always bothers me when I hear it, but coincidentally we ran into a person the next day who had done some work for this customer and verified that money was not an issue.)

n The prospect said to the salesman, "You will love this job, there is no woman involved." (What he meant to say, ladies, is this job will only require talking to one person, and will therefore save time during the decision-making process.)

n The salesperson ballparked him at about \$300,000 and the prospect responded, "That's in the ballpark of what I was thinking."

Now all you salespeople out there, do me a favor. Knowing no more than what you just read about this sales call, how would you rate

it on a scale of 1-10? 10 being the best.

When we left, the salesman asked me what I thought about the guy. I told him I'd pay him a \$1,000 for the lead and meant it. He said, "Something concerns me." I asked, "What's that?" "The fact that he told us the last contractor that did some work for him went bankrupt," he answered. I replied, "If it concerned you, why didn't you ask him about it? You should have asked him if the contractor went bankrupt on his own, or if he bankrupted him." I was frankly amazed how I could view this prospect so positively and this particular salesman didn't share my excitement. He even mentioned the prospect didn't make eye contact with him. This salesperson, for whatever reason, was looking for reasons not to sell, rather than reasons to sell. This lead, in my opinion, was as hot as a lead could possibly be. The homeowner also mentioned how the previous contractor had left his microwave and dishwasher uninstalled and how inconvenient that was for him. I told the salesman I would have called my production manager right away to see how soon he could have someone in there to take care of those items for him. This gentleman would have been smothered – he would have been killed with kindness. How many things do I have to do in my workday that are more important than trying to take care of this prospect? I can't think of a thing. Some salespeople never run across a prospect this good in their entire career. Others, like

this salesman, didn't know it when he saw it. In January, when he didn't have much going on and could spend all the time necessary to close this deal, what could be better? The salesman and I set a goal to have him closed by the end of the month - contract signed and deposit in-house. The contract was signed and the deposit was in the bank. Thank you very much.

Many of you are your worst enemy. You create your own objections. The client doesn't have any, so you freak. Michael Jordan was the leading scorer in the NBA for eight years. He was a dynamite shooter. He'd look pretty stupid shooting three-pointers when a lay-up was available, wouldn't he? That's what some of you do with your prospects. Either you can't stand easy, or you are afraid of easy. Not me, I'll take easy all day long and love it. This business is hard enough on its own. When a prospect is all over you - anxious, excited, ready to start, with plenty of money - don't ask yourself why, ask why not?

Happy Selling!

Phil Rea and Associates provides remote and on-site sales training and consulting services to the building and remodeling industry. Rea has been a featured and keynote speaker at numerous national sales meetings and conventions both in the U.S. and Canada. More information regarding Phil Rea events, services, products and sales training tools is available from his Web site at www.phil-rea.com or by calling [toll free] 1-866-441-7445.

Active adult housing boosts local growth

WASHINGTON, D.C. — New housing developments targeted to active adults generate substantial economic benefits for local communities, including income and jobs for residents and revenue for local governments, according to a recent NAHB study.

Based on a local impact model developed by NAHB, the study reveals that a typical active adult project comprised of 100 single-family homes generates more than \$10 million in local income, \$1 million in taxes and other revenues for local governments and 216 local jobs during the project's first year.

Active adult developments also exert a positive, long-term effect on local economies, a benefit sometimes overlooked by planners and elected officials, the study points out. During each year following its completion, the typical adult project generates an estimated \$3 million in local wages and salaries and business owners' incomes, as well as \$504,000 in taxes and other kinds of revenue for jurisdictions in the area, according to NAHB findings.

"Active adults should be welcome additions to any community," said Antonio Giordano, Jr., chairman of the NAHB Seniors Housing Council and a multifamily builder/developer from Providence, R.I. "Active adults pay the same taxes as most other residents, yet they utilize fewer public services, particularly schools, and boost the local economy through the purchase of goods and services long after the project is completed," he added.

The demand for active adult communities is expected to grow in tandem with the growth of the over-55 population. The first members of the baby boom generation — those born between 1946 and 1964 — turned 55 last year, while millions more will reach this milestone during the next several years.

Most active adult communities, which typically require buyers to be at least 55 years old, feature a wide range of common amenities and recreational facilities to appeal to the active lifestyles of prospective home buyers in this age group.

For purposes of the study, NAHB assumed an average sales price of \$180,000 per home and an average raw land cost of \$22,700 for each lot. Also factored into the study were \$4,805 in impact, permit and other fees to local

A BOOST TO THE ECONOMY

Active adult housing can help rejuvenate the local economy.

**The term "Local Taxes" is used as a shorthand for local government revenue from all sources: taxes, fees, fines, revenue from government-owned enterprises, etc.*

Impact of Building 100 Homes in a Typical Active Adult Project

Phase I: Direct and Indirect Impact of Construction Activity During First Year

Business Owners' Income	\$1,268,000
Local Wages and Salaries	\$5,650,000
Total Local Income	\$6,918,000

Local Taxes*	\$747,000
Local Jobs Supported	146

Phase II: Induced (Ripple) Effect of Spending Income and Taxes from Phase I

Business Owners' Income	\$563,000
Local Wages and Salaries	\$2,531,000
Total Local Income	\$3,094,000

Local Taxes*	\$255,000
Local Jobs Supported	70

Total One-Year Impact: Sum of Phase I and Phase II

Business Owners' Income	\$1,831,000
Local Wages and Salaries	\$8,181,000
Total Local Income	\$10,012,000

Local Taxes*	\$1,002,000
Local Jobs Supported	216

Phase III: Ongoing Annual Effect After New Homes Are Occupied

Business Owners' Income	\$560,000
Local Wages and Salaries	\$2,419,000
Total Local Income	\$2,979,000

Local Taxes*	\$504,000
Local Jobs Supported	67

SOURCE: NAHB HOUSING POLICY DEPARTMENT, AUGUST 2002

governments, in addition to \$1,980 in annual property taxes and \$108 in monthly maintenance fees paid by the home owner.

The community was assumed to be located in a metropolitan area where taxes and construction-related fees imposed by local governments equal national averages.

Assumptions used in the study were based on information from developers of active adult communities in several parts

of the country; the local impact model for the study was developed using databases compiled by the federal government from different sources.

The NAHB Seniors Housing Council, which assisted with the study, provides information, education and networking opportunities for its members and represents NAHB on senior housing issues.

NAHB members who are interested in receiving the latest information on this

fast growing segment of the housing marketplace can subscribe to Seniors Housing News. Included are the latest research and trends on building, developing, designing and marketing for the age 50+ housing market. Articles are written by builders and other industry professionals who have experience in this business.

For more information, contact Jeff Jenkins at 1-800-368-5242, ext. 8292.

Iron and steel institute offers new steel framing standards

WASHINGTON D.C. — The American Iron and Steel Institute (AISI) has published a new set of framing standards for cold-formed steel, the first to receive the approval of the American National Standards Institute (ANSI).

The new standards were developed by the AISI Committee on Framing Standards, an ANSI accredited organization that

develops, maintains and improves AISI design and installation standards in order to eliminate regulatory barriers and increase the reliability and cost competitiveness of cold-formed steel framing.

AISI is an organization that administers and coordinates the voluntary standardization and assessment systems for standards developers in the U.S. The ANSI

standards include: Standard for Cold-Formed Steel Framing—General Provisions (\$30), Prescriptive Method for One and Two Family Dwellings (\$99), Truss Design (\$45) and Header Design (\$37.50).

Members of the Steel Framing Alliance can receive discounts of 25% or 50% on these publications by calling 202-452-7100 or logging onto www.steel.org.

For more information on the Steel Framing Alliance, which delivers innovative steel framing solutions to residential and light commercial construction industries, contact Lisa Stevens at lstevens@steel framingalliance.com or at 202-785-2022.

The alliance has moved its offices to the National Housing Center in Washington, D.C.

Housing market continues to enjoy robust activity

Meyers group predicts housing market will close out a very good year

IRVINE, Calif. — Though the rate of economic growth has been revised upward, expectations for more subdued growth in the fourth quarter will keep the economy on a path for very moderate growth this year.

Consumers appear to be doing more than their part to keep the recovery on track, but how the economy shapes up in 2003 now rests on the shoulders of the nation's business sector, which continues to be hamstrung by weak pricing power and revenue growth.

The housing industry continues to enjoy robust activity amid stabilizing economic conditions, rising consumer confidence and low mortgage rates, but fewer consumers plan to purchase homes in the months ahead. Nevertheless, even if the pace of home sales should soften during the last two months of 2002, the housing market will undoubtedly close out a very good year.

The first revision to the third quarter 2002 Gross Domestic Product (GDP) indicates economic growth moved ahead

by a 4.0 percent growth rate, which was more in line with analysts' expectations than the preliminary estimate in October. The revision supports evidence that the economy continues to improve, but remains on track for only moderate growth this year. Strong consumer and government spending contributed to the upward revision, but concerns remain that businesses lack pricing power and significant revenue growth to provide the employment stimulus now needed to keep the economy on the recovery track.

Economic data for October and early November indicate that the rate of economic growth will be considerably slower than in the fourth quarter, which falls within expectations produced from the last two months' Index of Leading Economic Indicators. Looking to next year, most economists agree that corporate profits and spending must make a significant recovery by mid-year 2003 in order for the economy to achieve a strong and sustainable rebound.

Despite economists' concerns about lagging business investment and spending, consumers believe that the worst of economic conditions are behind us and better job conditions are on the horizon, which drove the Consumer Confidence Index up to 84.1 in November.

Considering the results from the Conference Board's recent Christmas spending survey and that consumers are more optimistic about the future, the holiday season may be cheerier for retailers than first expected. Despite a more upbeat outlook, fewer consumers plan to make major purchases in the months ahead, with the percentage of those planning to buy a home in the next six months falling to its lowest level in over two years.

Although consumers' optimism improved last month, personal income growth held steady at an annualized pace of 3.8 percent. Though up from last year, it is down considerably from the 8.3 percent growth rate seen in October of 2000, and the incremental 0.1 percent monthly gain reflects a stagnant job market.

With mortgage rates holding near 6 percent, new and existing home sales in October indicate that the housing market remains on track to end the year on a very strong note.

Sales of existing homes rose 6 percent from the previous month to a seasonally adjusted annual rate of 5,770,000 sales, which is the highest level since April of this year. Though the total inventory of homes for sale decreased about 3 percent, the relative months of inventory fell nearly 10 percent due to the strong pace

of sales. The median price of an existing home in October rose slightly to \$159,600, which still marked a 10 percent year-over-year gain. Though the average for a 30-year fixed mortgage rate is down nearly a full point from a year ago, low mortgage rates have been unable to offset the sharp gains in rising home prices, causing the existing home affordability ratio to fall to below 57 percent in October. The Purchase Mortgage Application Index held relatively high during the week of Nov. 22 at 350.2, indicating that home sales are expected to carry on at a robust pace in the near term.

Coming off an all time high in September, new home sales fell 4 percent in October to a seasonally adjusted level of 1,007,000 sales. Despite the decline, new home sales are up 16 percent from a year earlier with all four regions registering year-over-year gains.

Builders continue to keep a tight hold on inventory, with only 4.1 months of relative supply during October. With strong sales levels for homes in more affordable price ranges, the median price of a new home held relatively steady at \$176,700, showing a 3 percent gain from a year earlier. Low mortgage rates contributed to the affordability of new homes holding slightly above 52 percent in October.

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Ricci

From Front Page

Incidentally, Erminio also started Ricci Supply in 1956 to improve supply problems he was facing in his construction business, an offshoot that eventually grew into Ricci Lumber. (That company passed to Erminio's son-in-law, Don Hayes, and later to Ed Hayes.)

Despite their sharing the same roots, Ricci Construction Company, Inc., is not to be confused with Ricci Lumber. They are two separate businesses serving vastly different functions to customers and clients in the greater Portsmouth area.

In 1975, Erminio's son, Bud Ricci, took over the construction business, and in the 1990s the business again changed hands, this time passing to his sons, Butch and John. Butch Ricci took over as president of the company in 1999, continuing a family tradition that is six decades long.

Today, the company hires about 25 employees, and has around 20 jobs going on at any given time.

Ricci said that the company has seen change and growth over the last several years.

"In a lot of ways we have changed and yet stayed the same," he said. "The technology has changed, and we are more sub contractor based now. We rely on them for 90 percent of the work we perform."

Even in today's challenging economic times, the Ricci Construction Company continues to thrive. Ricci credits the economy's downturn with actually helping their business.

"I think that the downturn in the economy has affected us positively," he said. "It has created what I call a 'smarter consumer.' They are much more educated and involved in their projects. This, in turn, allows us to have a better relationship with our customers."

"My brother and I strongly believe in the philosophy of honesty and trust with our clients," he added. "If you have honesty and trust in a good economy it will carry over in a lesser economy."

Although they are two separate companies, Ricci Construction Company, Inc., "gets by" with a little help from their extended family over at Ricci Lumber.

"Basically we look to them for most of, if not all, of our building material needs," said Butch Ricci. "We have an allegiance toward them because we are family. We have a great relationship."

Through all of the Ricci Construction Company's changes, and through its times of economic uncertainty, Ricci said he and his brother still hold dear to the tenets that have made the company so successful, tenets passed down by family.

"We believe that if you treat people fairly they will in return treat you in that same way," he said. "Our basic values that were instilled in us by our father and grandfather have remained the same over the years."



Busy on the lot: Ricci load builder Gene Orr takes care of a customer order on the Ricci Lumber lot this fall.

Hayes

From Front Page

on the roof. We selected a color from Hardiplank's color-plus selection for our cement siding. We used Andersen windows and Thermatru Smooth-Star fiberglass exterior doors. Then we trimmed the entire exterior in Permatrim PVC boards to complete that "no-maintenance" exterior I was hoping for.

Each one of the products that went into our home was supplied by some of the best and most reputable building materials manufacturers in the business. And each of the quality products that went into our home also comes with an express warranty. For instance, Hardiplank warrants the paint job of its color-plus collection from peeling and cracking for 15 years. Andersen warrants its glass from failing for 20 years. The IKO shingles we used come with a 30 year warranty. And Advantech warrants its plywood from failing for 50 years.

With those warranties in mind, perhaps I should be planning on painting the house

in 2017, replacing some glass in 2022, putting a new roof on in 2032 and, if I'm still around, selling the house in 2052.

As a builder, you need to be concerned with warranties as well. You need to know that there is a company that will stand behind you if a product you install fails. The same reasoning holds true with us at Ricci Lumber because if a product you install fails, your first call will probably be to us. That's why we only do business and buy materials from the most reputable manufacturers and wholesalers out there. In those situations where problems arise, we know that they'll back us up 100%.

Thank you for your continued support of Ricci Lumber, Area Kitchen Centre and Area Millwork. I hope you enjoy this issue of the Ricci Lumber Gazette.

All of us here wish you and yours a happy, healthy and prosperous New Year.



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RICCI EMPLOYEE SPOTLIGHT

Name: Jeannie Blake

Residence: York, ME

Occupation: Switchboard & Office Support

Profile :

“I have been with the company, in the same position, for six and a half years.”



to be known by name.”
And what about your personal success...what makes you successful?
 “I still enjoy the job and I

am having fun with it because I like the people.”

What has impressed you most in the 6 1/2 years you have worked at Ricci Lumber? :

“The caring people who run the business. They really care about how the business is run as well as their customers and employees.”

What do you think contractors look for in a lumberyard?

“Other than the ability to get the products when they need them and have them delivered on time, they are looking for a personal experience. They like

What trends do you see in the building industry?

“Judging by the number of phone calls, things seem to be going well in the industry.”

What’s next for Ricci Lumber?

“Continuing to give the best quality care they can to their customers.”

Sum up your understanding of what Ricci Lumber stands for in one sentence.

“Good customer service.”

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